

BOARD OF MANUFACTURED HOUSING
DEPARTMENT OF FIRE, BUILDING AND LIFE SAFETY

REPORTER'S TRANSCRIPT OF PROCEEDINGS

Phoenix, Arizona
September 16, 2009
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PREPARED BY:

DOREEN C. BORGMANN, RMR, CRR
Certified Reporter
Certificate No. 50644

PREPARED FOR:

BOARD OF MANUFACTURED HOUSING
DEPARTMENT OF FIRE, BUILDING
AND LIFE SAFETY

(Original)



3030 North Central Avenue
Suite 1102
Phoenix, Arizona 85012

T 602.264.2230
888.529.9990
F 602.264.2245

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1 REPORTER'S TRANSCRIPT OF PROCEEDINGS, taken
2 before the Board of Manufactured Housing, Department of
3 Fire, Building and Life Safety Board Meeting held at
4 1110 West Washington, Phoenix, Arizona, on the 16th day
5 of September, 2009, commencing at the hour of 1:00 p.m.
6 of the said day. The proceedings were reported by
7 DOREEN C. BORGMANN, RMR, CRR, and a Certified Reporter
8 in and for the County of Maricopa, State of Arizona.

9

10 BOARD MEMBERS:

11	ROSS E. WAIT, Chairman	JOSEPH STEGMAYER
12	CARLO LEONE	CATHERINE MCGILVERY
13	PAUL DeSANCTIS	SAMUEL BAIRD
14	NEAL HANEY	ROBERT GIBB

15

16 FOR THE DEPARTMENT:

17	BOB BARGER	BETH SOLIERE
18	DEBRA BLAKE	MARYANN KNIGHT

19

20 COUNSEL FOR THE BOARD:

21 CAMILA ALARCON
22 Assistant Attorney General

23 ALSO PRESENT:

24 KEN ANDERSON

25

P R O C E E D I N G S

CHAIRMAN WAIT: All right. I'm going to go ahead and call the meeting to order.

The second item on the agenda is Roll Call, please.

MS. KNIGHT: Sam Baird.

MR. BAIRD: Here.

MS. KNIGHT: Paul DeSanctis.

MR. DeSANCTIS: Here.

MS. KNIGHT: Robert Gibb.

MR. GIBB: Here.

MS. KNIGHT: Neal Haney.

MR. HANEY: Here.

MS. KNIGHT: Carlo Leone.

MR. LEONE: Here.

MS. KNIGHT: Catherine McGilvery.

MS. MCGILVERY: Here.

MS. KNIGHT: Joseph Stegmayer.

MR. STEGMAYER: Here.

MS. KNIGHT: Ross Wait.

CHAIRMAN WAIT: Here.

MS. KNIGHT: And Roger Wendt.

MR. BAIRD: He's not answering.

Are you coming to the Board meeting? Okay.
No problem. We'll carry on without you.

1 CHAIRMAN WAIT: All right.

2 MR. BARGER: Excuse me, Mr. Chairman. Before we
3 get started and off the record, I just wanted to let
4 everybody know that --

5 MS. ALARCON: We're on the record.

6 MR. BARGER: Oh, I'm sorry. Okay. Let's go.

7 CHAIRMAN WAIT: Continue?

8 MR. BARGER: Yes. Continue on, please.

9 CHAIRMAN WAIT: Okay. I would entertain a motion
10 for approval of the court reporter transcript and the
11 abbreviated minutes as of May 20, 2009.

12 MR. HANEY: So moved.

13 MS. MCGILVERY: I'll second it.

14 CHAIRMAN WAIT: Is there any discussion? All
15 those in favor, say "Aye."

16 (All responded "Aye.")

17 CHAIRMAN WAIT: Any opposed? Carries the same.
18 Thank you.

19 All right. Item Number 4 is Financial
20 Reports. You all have copies of that in your packet. I
21 know myself in going through this in detail, I didn't
22 see anything that really jumped out at me in particular.
23 Anybody? Neal, please. Somebody's got to take Roger's
24 place.

25 MR. HANEY: Thanks a lot. I'm still a little bit

1 confused on how we're reporting or how we're doing this
2 interest for the education fund. I mean, I looked down
3 here, and it says fiscal year '09-'10. Prior year
4 interest 18,314. So that would actually be interest
5 from '08-'09; is that correct?

6 MR. BARGER: Carried over, correct.

7 MR. HANEY: No, not carried.

8 MR. BARGER: Well, let me restate that. It
9 doesn't carry over.

10 MS. BLAKE: It's the interest for fiscal '09. I
11 get really confused with this '07-'08, '08-'09. Fiscal
12 year '09 that just ended June 30, 2009, the interest
13 earned for the 2009, the prior year.

14 MR. HANEY: Oh, through June of 2009.

15 MS. BLAKE: Uh-huh. Was the 18,314.

16 MR. BARGER: From July of '08.

17 MS. BLAKE: Yes.

18 MR. HANEY: Okay.

19 MS. BLAKE: What we did add on this, Mr. Chairman
20 and Board members, is that last little block of
21 information. Because we've discussed it numerous times
22 at several Board meetings, if that number that we were
23 reporting to you was, in fact, the 75 percent or if the
24 number we were reporting was the actual balance. And so
25 we've added this to help maybe clarify that.

1 CHAIRMAN WAIT: So right now, there is \$25,620.25
2 available for that use?

3 MS. BLAKE: That's correct. Having said that, I
4 do need to tell you that the recovery fund and the
5 educational grants are not separate funds.

6 CHAIRMAN WAIT: Right.

7 MS. BLAKE: So all the amount of money, when Beth
8 gives her update on recovery fund, is the two pots of
9 money together. They're not separate. So --

10 CHAIRMAN WAIT: And the recovery fund is about
11 toast.

12 MR. BARGER: We'll have an update with Beth.

13 MS. BLAKE: We'll have an update with Beth later
14 in the agenda.

15 CHAIRMAN WAIT: Right.

16 MS. BLAKE: Yes, the 25,620 is the amount that
17 would be available for educational purposes should you
18 decide to do so.

19 CHAIRMAN WAIT: Okay. To clarify one thing,
20 let's say -- I know we're going to discuss this later
21 agenda item, but if all of the funds are commingled in
22 one pot and it's all paid out in the way of claims and
23 has no money in it, then, obviously, yes, there's money
24 there to be, quote, used, but there's no greenbacks to
25 back it up.

1 MS. BLAKE: Correct.

2 MR. BARGER: Correct.

3 CHAIRMAN WAIT: All right. Just wanted to have
4 that understanding.

5 MR. HANEY: So this number that we're looking at
6 here that says 18,314, that's done changing. That won't
7 change again.

8 MS. BLAKE: That's a permanent solid number.
9 That doesn't change.

10 MR. HANEY: Okay.

11 MS. BLAKE: It is what it is.

12 MR. BARGER: Now we're in the '09-'10 cycle;
13 right? So we'll keep you updated on the moneys
14 available for the 2010.

15 MR. HANEY: There won't be for a while.

16 CHAIRMAN WAIT: Won't be much.

17 MR. HANEY: Okay. Thank you.

18 CHAIRMAN WAIT: All right. Any further
19 discussion regarding the financial reports?

20 Okay. Next standing item is Number 5, Fee
21 Structure. Any comments on that, Bob?

22 MR. BARGER: There's still a moratorium on
23 fees --

24 CHAIRMAN WAIT: Right.

25 MR. BARGER: -- and everything. So if you

1 notice, we did talk about change. We didn't change
2 anything in last go-around.

3 CHAIRMAN WAIT: Yeah. I know that.

4 MR. BARGER: Just to give you an update as long
5 as we're on fees and the state of the budget, from the
6 legislature and the executive budget, we -- I think
7 everybody was aware of the cuts that we sustained over
8 the past year, which took us from approximately 3.6 down
9 to 2.3 million dollars. We suffered some reduction in
10 force as opposed -- as part of that.

11 And now upcoming, for the Board's
12 information, the Office of the Governor's Budgeting
13 Office has asked us to prepare an additional 15 and 20
14 percent budget cuts to be delivered to them within the
15 next 30 days. So the state of the State is not good.
16 So if they even take an additional 15 percent from the
17 Department of Fire, Building and Life Safety, it's going
18 to be quite consequential to this office's operation.
19 If they go into 20 percent, it's --

20 So we're preparing the documents as
21 requested. We'll send them over. But, again, it's
22 going to have a major impact on our operating abilities
23 for Fire, Building and Life Safety. But as it does for
24 all the state. I mean, all state agencies are having to
25 prepare that, not just us. So what we can do is after

1 we get that and once they make the determination,
2 because they're going to make that determination before
3 the end of the year of possible midyear cuts.

4 So if we get in that situation and we have
5 to do midyear cuts, then we'd probably need to have a
6 meeting with you all to kind of discuss the consequences
7 of that. And I would see that being a Board meeting
8 that's just stating the state of this department and
9 what we can and can't do. Okay?

10 CHAIRMAN WAIT: Okay.

11 MR. DeSANCTIS: Mr. Chairman.

12 CHAIRMAN WAIT: Yes, sir.

13 MR. DeSANCTIS: So what was the budget that was
14 submitted? At the 2.3 rate?

15 MR. BARGER: For next year, the only thing we
16 could request above that was any addition in rent. And
17 we did have an increase in rent in this building and one
18 in our Tucson office also. So we were allowed to submit
19 for more funds for that. So that was correct.

20 MR. DeSANCTIS: So a 15 percent cut, 300 --
21 almost \$400,000.

22 MR. BARGER: Yes, sir.

23 MR. DeSANCTIS: Wow.

24 CHAIRMAN WAIT: And that's out of both Fire and
25 Safety as well as Manufactured Housing?

1 MR. BARGER: Yes, sir. That's the Department of
2 Fire, Building and Life Safety. So the entire
3 department would have to come up with those proposed
4 cuts and have that prepared. Again, now we're down to
5 25 days. So --

6 CHAIRMAN WAIT: Okay.

7 MR. BARGER: Thank you, Mr. Chairman.

8 CHAIRMAN WAIT: Good luck.

9 MR. BARGER: Thank you.

10 CHAIRMAN WAIT: All right. Next Item 6, Recovery
11 Fund, again, another standing item. Bob?

12 MR. BARGER: You want that one?

13 I'm going to defer to Beth on that.

14 MS. SOLIERE: I provided everyone with a handout
15 that states the status of the consumer recovery fund as
16 of yesterday, September 15. There's \$88,745 available
17 within the next couple of months. There will be seven
18 claims that come up for payment totalling \$150,000. So
19 once again, fund will be depleted.

20 We are receiving interest into the fund now
21 from the cash bond fund. And I broke out -- broke it
22 out into the past three months, what's gone in. So it's
23 not a lot, but a little bit. There's still the \$10
24 assessment to dealers when they renew their license
25 that's being put in as well as the \$30 fee for each unit

1 sold. So -- and then there's four that are waiting for
2 a hearing as well.

3 CHAIRMAN WAIT: 312,000 didn't last long.

4 MS. SOLIERE: Uh-uh.

5 CHAIRMAN WAIT: I thought great news when I heard
6 it, but I said it won't be there long.

7 MS. SOLIERE: Right.

8 MR. HANEY: The 145,000 has already been
9 adjudicated, and it's just waiting on appeal time.

10 MS. SOLIERE: Yeah. It's just waiting appeal
11 time.

12 MR. HANEY: Make the appeal process. Okay.

13 MS. SOLIERE: Yeah. And those all come up
14 September, October for payment. So --

15 MR. BARGER: Mr. Chairman, Board members, our
16 last meeting, we discussed the cash bond and that
17 process. And we were successful to GSB and doing some
18 other things to get a ruling on the fact that that
19 interest could be transferred over. So that really
20 helped a lot in that the monthly interest can be
21 attributed and go into the recovery fund. So that will
22 help it build up a little faster.

23 But we continue to get claims and things.
24 So the process -- until the entire cycle turns around, I
25 think that this is probably the mode we're going to be

1 in.

2 CHAIRMAN WAIT: Right. For some period of time.

3 MR. BARGER: Yes.

4 CHAIRMAN WAIT: Neal.

5 MR. HANEY: Let's follow up on that. I think we
6 discussed last time, too, that there were some cash
7 bonds that had been paid. The people had been out of
8 business for a long time, and those bonds are still
9 being held. And we talked about how long do we have to
10 hold those before something can be done with them.
11 What's the status on that?

12 MR. BARGER: I'm not sure I remember that. Neal,
13 I apologize. But --

14 MS. BLAKE: I recall it.

15 MR. BARGER: Do you have an update on it?

16 MS. BLAKE: I don't have an update on it.

17 Because I think Donna, who does our licensing fees and
18 the bonds, was going to look into that. We talked about
19 generating letters, try to find those people, if they're
20 still living, tell them they have this and it's
21 available, and then make a determination. But I don't
22 know that we've done that yet.

23 MS. SOLIERE: And I'll get with Donna on that and
24 have her look into it.

25 CHAIRMAN WAIT: Let me come back to one thing.

1 Last September, there was, like, close to 3,000 in
2 interest. Was that the interest on those -- the money
3 that was in the bond account?

4 MS. SOLIERE: In September for deposits, the
5 2009?

6 CHAIRMAN WAIT: Yeah.

7 MS. SOLIERE: That would be partially. Since
8 we're not all the way through September yet, there will
9 probably be more. But it's partially from the \$10
10 assessments, the \$30 fee per unit sold, and some of the
11 interest.

12 CHAIRMAN WAIT: And so could you just give me a
13 ballpark figure what that amount per month is?

14 MS. SOLIERE: On the interest?

15 CHAIRMAN WAIT: The \$30 bucks, the 10 interest,
16 just a ballpark.

17 MS. SOLIERE: There was, let's see -- in July of
18 '09 there were 296 units sold, so that's about \$8,000.
19 And that's 30 per. We had, in July, 19 dealers that
20 renewed their license, so \$190. And then the rest of
21 that would be the interest that's coming from the cash
22 bonds.

23 CHAIRMAN WAIT: So, I mean, the biggest factor is
24 how many homes are sold actually. So we're probably
25 talking eight or nine or ten thousand --

1 MS. SOLIERE: Right.

2 CHAIRMAN WAIT: -- if we're lucky.

3 MS. SOLIERE: Right.

4 CHAIRMAN WAIT: So once this amount of money,
5 roughly 150 grand, is paid out, there's, let's say, 90,
6 so there's a 60 -- ballpark number, 60,000 shortfall.
7 It's going to take seven or eight months probably to pay
8 off the balance of those claims. But is there any
9 substantial number of claims in the hopper that you're
10 aware of coming through?

11 MS. SOLIERE: That haven't had a hearing yet?

12 CHAIRMAN WAIT: Right.

13 MS. SOLIERE: They're -- let's see. I've got
14 one, two -- I've got three that need a hearing. One's
15 for \$8,300. The other three are for -- they're all
16 pretty low amounts.

17 CHAIRMAN WAIT: Okay.

18 MS. SOLIERE: I haven't seen any that are really
19 big. There was one for \$120,000 that that one is
20 included in that 150.

21 CHAIRMAN WAIT: Okay.

22 MS. SOLIERE: So most of them are small amounts
23 now.

24 CHAIRMAN WAIT: That's some good news.

25 MR. BARGER: Yes.

1 CHAIRMAN WAIT: Okay.

2 MR. BAIRD: Excuse me. Where does that 120 one
3 rank as far as the dating?

4 MS. SOLIERE: In order, the 120, that comes up
5 for payment on October 12. There's two ahead of him.
6 One's for 2,200, and one's for 5,500. So he should --
7 he's going to probably pretty much wipe it out.

8 MR. HANEY: And they're paid in order time-wise?

9 MS. SOLIERE: Yeah. Once it's depleted to zero,
10 then we would start by who filed first.

11 MR. BAIRD: Do you have a process where we'd
12 partially pay, or do we wait until it's all there?

13 CHAIRMAN WAIT: It sits until it's all there?

14 MS. SOLIERE: Yeah. We would pay them -- we
15 would wait until it's all there before we pay them their
16 amount. So --

17 MR. BAIRD: Mr. Chairman, I do have a question.
18 The recovery fund, I know if somebody goes out of
19 business, they've got a bond that's either a cash bond
20 or they have a bond. What process do we have to attach
21 those funds, to get those funds back into the recovery
22 fund to offset any losses?

23 MS. SOLIERE: We can go after the bond companies
24 for --

25 MR. BAIRD: Do we?

1 MS. SOLIERE: Yes, we do. We've been working on
2 that, actually, for the past year going after all the
3 company -- but usually it's only up to \$25,000. So once
4 we've collected that. There's also a process that they
5 have to go through in investigating. So it's not --
6 they don't just pay it to us right away. Kind of --

7 MR. BAIRD: Sure.

8 MS. SOLIERE: -- you know, so -- but we are
9 working on that.

10 MR. BAIRD: It does add up, obviously.

11 MS. SOLIERE: Yeah. We've collected, I think,
12 already around 300,000 in bonds.

13 MR. BAIRD: Okay. So if somebody does go out of
14 business, they still have to maintain that bond for two
15 years?

16 MS. BLAKE: Two years.

17 MR. BAIRD: Thank you.

18 CHAIRMAN WAIT: The problem was we had that one
19 dealer who walked away, so to speak, with close to
20 \$900,000. That was the big hit. And it could happen
21 again tomorrow, and we'd owe 900,000.

22 All right. Item B under Recovery Funds,
23 Presentation by Deputy Director on HUD "warranty" when a
24 manufacturer ceases to operate.

25 MS. BLAKE: Well, it will be a brief

1 presentation.

2 CHAIRMAN WAIT: Okay.

3 MS. BLAKE: What I asked HUD for since the last
4 Board meeting was clarification on something they
5 communicate, and they even communicate it in written
6 form, that says HUD owns the home, a manufactured home,
7 for the life of the home. So kind of vague.

8 And in the case of when Laurel Creek
9 manufacturer closed its doors, went out of business,
10 Arizona Housing Association as well as some others said,
11 "Okay, what happens if a consumer buys a home from
12 Laurel Creek, it's a structural defect built into the
13 home, and there's no manufacturer to make it good?

14 So I contacted HUD and said, "Okay. How
15 does that work? Because you own it for the life of the
16 home."

17 Basically, how they've explained that to me
18 is DFBLS has a statute of limitations for consumer
19 complaints, which is one year from the date of purchase
20 or the date of installation, whichever is later. And so
21 during that one-year period, we would act as an agency
22 to work with the manufacturer, the dealer, do an
23 investigation, determine who the responsible parties
24 are, and through our regulatory function make sure that
25 the consumer is made whole, if you will, or that repairs

1 are corrected.

2 After that one-year statute of limitations,
3 under our State administrative agency role with HUD, we
4 would then no longer as the DFBLS act on behalf of the
5 consumer, but act on behalf of HUD. So we would still
6 go through the complaint to speed resolution process,
7 get the responsible parties at the table, decide who's
8 going to do what. And that's what HUD means by "we own
9 it for the life of the home."

10 So the State, even though barred by statute
11 for time, would act on behalf of the consumer with the
12 dealer manufacturer. But in the case of Laurel Creek,
13 if there is no manufacturer, there's nobody to make it
14 good. And so that was HUD's answer. So anyone who
15 bought a Laurel Creek home, comes to us, it is a
16 structural defect, something built into the
17 construction, the option is the bond.

18 Dealer or manufacturers have -- most of
19 them have a \$100,000 bond. So one home brand new, it
20 might cover the bulk of it. Two or more, not.

21 So in the case of Laurel Creek, of course,
22 you all know they went into bankruptcy. So other than
23 going after their bond for that two-year period that
24 it's held, there really would not be any other
25 resolution for the consumer.

1 CHAIRMAN WAIT: So any payout at all would have
2 to come from that bond?

3 MS. BLAKE: Correct.

4 CHAIRMAN WAIT: And would you assist the
5 homeowner in accessing money for the bond, or is that up
6 to the homeowner?

7 MS. BLAKE: No. We would walk them through the
8 process. Because, you know, as the State administrative
9 agency for HUD, we'll still go through the process of
10 inspecting, making a determination if it was due to the
11 setup of the home, is the installer responsible. If the
12 installer is responsible, were they part of the purchase
13 contract making the dealer responsible?

14 Because the only way you can get, as you
15 know, to the recovery fund is through the dealer. You
16 can't get to it from a manufacturer's failure to perform
17 or an installer's. You have to go to their bond.

18 CHAIRMAN WAIT: So the HUD warranty is for the
19 life of the home or until the bond runs out, actually.

20 MS. BLAKE: Yeah.

21 MR. BARGER: Yes.

22 CHAIRMAN WAIT: Or two years out. Okay.

23 MS. BLAKE: Yes.

24 CHAIRMAN WAIT: Like other lifetime warranties
25 I've heard about. Thank you very much.

1 MS. BLAKE: You're welcome.

2 CHAIRMAN WAIT: Well, I guess you're on next
3 also.

4 MS. BLAKE: I am on next, and we've already
5 talked about that, and that was on that financial
6 presentation where we've added that educational fund,
7 what 75 percent of that is.

8 MR. BAIRD: Excuse me. This 88,000 that's been
9 reported, does that include the \$25,620?

10 MS. BLAKE: Yes. It's commingled money. It's
11 all one pot.

12 MR. BAIRD: I thought so.

13 MS. BLAKE: Yeah.

14 CHAIRMAN WAIT: All right. Any further
15 discussion on those items? Okay. 7. 95 to 105 percent
16 provision, another standing item again.

17 MR. BARGER: I will cover that one.

18 CHAIRMAN WAIT: Okay. Very good.

19 MR. BARGER: And what this office has been trying
20 to do in the past, I think, is we've been trying through
21 the meetings to reconcile this on a monthly basis. And
22 when you read this statute and the way the program was
23 designed was you all meet in May to set fees. That's
24 when we would give you an update in arrears on what the
25 percentage was of the industry so that you can

1 appropriately for the next upcoming year decide whether
2 you need to up or lower the fees. And we've been trying
3 to kind of do this.

4 And I know it's -- this report here that
5 you have has 84 percent on it. We're going to stop
6 reporting that on this sheet because it's too hard.
7 Because when you try and do it monthly, there's
8 outstanding invoices and this and that. We will track
9 it internally, and if any time anybody has a question on
10 where we're at, we'll track that for you. We'll
11 probably do a midyear update and say this is -- for the
12 past six months, this is where the fees are. This is
13 where the percentages are. Because I also believe by
14 statute that you have the ability to go in and adjust
15 the fees during the year if you need to.

16 So it's one of those things where, you
17 know, within -- as you well know, we've been going up
18 and down with this every time we meet about the 95/105
19 percent provision. So -- and, again, the way the
20 statute reads -- and I didn't pull it up real quick --
21 but it reads it will be done on an annual basis before
22 you set the fees.

23 So I think that will make it a little bit
24 more accurate and more easy for us to identify. And,
25 again, if anybody has any questions, all you have to do

1 is call and we can research where we're at as far as in
2 arrears from the new fiscal year of July, the beginning,
3 to whatever point we're at and try to give you a
4 determination of where we're at.

5 Again, the difficulty in that is because we
6 invoice. Some people pay so much -- some people may not
7 pay in the same month they're invoiced. It may carry
8 over to the next month. There may be issues that go
9 back and forth. So it's made it very difficult for us
10 to try and resolve those issues that way.

11 But I think we're going to go by what the
12 statute says. We will do an annual update to let you
13 know what it's been for the past year so that you can
14 accurately make a judgment on whether to you want to up
15 or lower the fees for the next year.

16 CHAIRMAN WAIT: Do you feel real comfortable with
17 the allocation of funds between manufactured housing and
18 the other department? Don't you allocate the expenses
19 between the two departments? Or is it all one?

20 MR. BARGER: Yes. We're a lump sum budget. So
21 we have to allocate percentages to --

22 CHAIRMAN WAIT: Right.

23 MR. BARGER: -- to the agency --

24 CHAIRMAN WAIT: And you do it --

25 MR. BARGER: -- to the department, to the Office

1 of Manufactured Housing and the Office of the State Fire
2 Marshal --

3 CHAIRMAN WAIT: Right.

4 MR. BARGER: -- and the Office of Administration.

5 CHAIRMAN WAIT: And you're comfortable with that
6 allocation?

7 MR. BARGER: Currently, yes. And what we're
8 having to do with the budgeting processes and everything
9 else is we are actually working with the --

10 What is Michelle Brooks --

11 MS. SOLIERE: Oh, CSP.

12 MR. BARGER: CSP. I'm sorry. We're transferring
13 a lot of the funds in the department because of
14 budgeting cuts and constraints and what we have on us to
15 CSP. So we -- and I have a meeting with them next week
16 to identify exactly how our budget's laid out and how we
17 operate the different offices within the Department of
18 Fire, Building and Life Safety. So there may be some
19 restructuring of that.

20 So, again, based on the budget, where we're
21 at, what we may or may not get, things like that,
22 there's going to be some more pain for our department.
23 So I'm meeting with them for them to kind of take over
24 some of the rolls of the budgeting and allocation
25 functions.

1 CHAIRMAN WAIT: But the dollar amounts that are
2 showing in here are with the allocations included; is
3 that correct? The allocation?

4 MS. BLAKE: In this financial report?

5 CHAIRMAN WAIT: Yes. Uh-huh.

6 MS. BLAKE: No. This is OMH.

7 CHAIRMAN WAIT: Okay.

8 MR. BARGER: Strictly OMH.

9 CHAIRMAN WAIT: But, again, it's OMH, but you're
10 saying that the pool that comes through the door, you
11 allocate it among the three departments; correct?

12 MR. BARGER: That's the way it was up until last
13 year. Because the fire marshal's office was strictly an
14 appropriated office.

15 CHAIRMAN WAIT: Uh-huh.

16 MR. BARGER: Now, they have started -- we were
17 successful through statute through our writing to adopt
18 fees for the Fire Marshal's Office. And that's why
19 we're going to have to reallocate some of these
20 functions and things. Because up to this time I think
21 we're -- the Fire Marshal's Office is bringing in about
22 \$700,000 through fees. So we're going to be able to
23 kind of lighten up the load across the board as far as
24 the fees go in. But as you all know, everything that we
25 collect goes to the general fund --

1 CHAIRMAN WAIT: Correct.

2 MR. BARGER: -- with the exception of the
3 relocation and recovery. Everything else goes to the
4 general fund, and they reappropriate back to us the
5 moneys that they want to give us. So even if we were to
6 bring in four million dollars over the course of the
7 year through fees through the Fire Marshal's Office and
8 Manufactured Housing, they would still possibly just
9 appropriate us 2.3 million dollars of that.

10 So at one point you start to have the
11 discussion start looking at is the better for us to keep
12 it functioning as a stand-alone or a non-appropriated
13 agency. So those are things that have to be looked at
14 here in the future. That's how we do it. Right now,
15 there's not enough fees coming in from either side to
16 cover the deficit.

17 But so I guess my answer to your question
18 is at the next meeting I'll be able to give you more
19 information on exactly how we're going to readjust
20 because of the fees coming into the Fire Marshal's
21 Office. And, again, we do -- they give us a lump sum.
22 We give them things through different processes. It
23 goes into the lump sum general budget or the general
24 fund. So that money that we all bring in could be
25 reappropriated to any other agency in the state.

1 CHAIRMAN WAIT: Uh-huh.

2 MR. BARGER: So those are things and those are
3 upcoming discussions that we're going to have through
4 the budgeting process as we go through the 15 and 20
5 percent cuts as to what is the actual impact of the
6 Department of Fire, Building and Life Safety and then
7 the Manufacturing Housing and State Fire Marshal's
8 Office on the general fund.

9 In other words, we bring in this much
10 money. You give us this much money. So we're offset.
11 So are we actually just being appropriated \$700,000 to
12 operate out of that fund? So through that process --
13 and there are some departments that are even 90/10.
14 We'll bring in 90 percent if you give us 10 percent to
15 function and operate. So there are some things that we
16 need to look at as we go through the next year.

17 I don't know where that's going to go if
18 you go to a 20 percent cut across the board for all
19 State agencies. I don't think it really matters how
20 much you bring in. Because that's how bad the deficit
21 is with the State right now.

22 CHAIRMAN WAIT: Just a ballpark figure, what
23 percentage has the department's budget been cut already?

24 MR. BARGER: It's over 25 percent. 28 percent, I
25 think, is what our cut was. Because we had to do -- in

1 the last budget round, we had to do five, ten, and 15,
2 and, I think, 20 percent cuts. We gave them our 20
3 percent cut. And it was a little bit over that that we
4 ended up losing. So we've gone from 3.9. Then we went
5 to 3.6. Now we're at 2.3 million to operate under the
6 next budget. With that -- again, keeping that in mind,
7 additional 10 or 15 or 20 percent coming up over the
8 next month or so.

9 So that's -- and like I said, it's going to
10 make it tough to function. So we all have to possibly
11 -- and I may be calling you to get an emergency meeting
12 of the Board depending on how severe their cuts are.
13 Y'all can kind of get together and take a look at what
14 the status of the Office of Manufactured Housing is.

15 CHAIRMAN WAIT: So if you're at 28 percent
16 already and they do another 20 percent off what you
17 have, you're going to be probably close to 40 percent
18 overall?

19 MR. BARGER: Probably close to --

20 CHAIRMAN WAIT: Ballpark?

21 MR. BARGER: There may be one of us left to open
22 the front door.

23 CHAIRMAN WAIT: He's all paid.

24 MR. HANEY: But no lights.

25 MR. BARGER: And I'm sorry to present it that

1 way, but, I mean, that's the severity of where we're at
2 right now. I mean, we've had discussions with them over
3 there. But, again, because they're looking at a three
4 to four billion dollar deficit, that's doesn't really
5 impact.

6 CHAIRMAN WAIT: Billion. Billion.

7 MR. BARGER: Billion. So then as you all are
8 aware, there's still issues right now with the current
9 budget. We haven't been allocated everything that we're
10 supposed to have because we were caught up in the part
11 that was vetoed here. So we're just kind of living
12 here. They haven't kicked us out yet. And we don't
13 really have money for our people. So we're in the
14 position where we have to wait and see if they cycle
15 around in a special session and can resolve the rest of
16 the budgeting issues as far as the tax increase and
17 going through the voters and those kinds of things. So
18 we're one of those agencies that was kind of caught up
19 in that.

20 CHAIRMAN WAIT: So is this your rallying speech
21 for the sales tax increase?

22 MR. BARGER: No. I'm not going to go there.

23 CHAIRMAN WAIT: No, I know you're not.

24 MR. BARGER: But that is one of the things that
25 is holding up the budgeting process, is the stalemate

1 between the two as far as that issue goes. So, again,
2 we're just -- we're showing up and doing the best we
3 can.

4 CHAIRMAN WAIT: Good.

5 MR. HANEY: Mr. Chairman?

6 CHAIRMAN WAIT: Yes, sir.

7 MR. HANEY: I'm not sure. I either didn't
8 understand your question originally or didn't understand
9 the answer. But when we look at the expenses for the
10 month of July, I think -- yeah. Got 85,993. That
11 includes the expenses directly associated with the
12 Office of Manufactured Housing. Does that or does that
13 not include also a pro rata share of the Office of
14 Administration?

15 MR. BARGER: It does, because there's a legal
16 licensing function that falls under the Office of
17 Administration.

18 MR. HANEY: Okay. That's --

19 CHAIRMAN WAIT: Okay? Any other questions at
20 this meeting of nothing but good news.

21 MR. BAIRD: This 95/105, how does that play into
22 this? Sounds like that just kind of went out, and now
23 we're just worrying about a different budget. I mean --

24 MR. BARGER: Well, the 95/105, the Board is
25 required to set fees on an annual basis to where all the

1 expenditures taken out of the income that's made through
2 the Office of Manufactured Housing has to be in a range
3 -- the difference has to be in a range of 95 to 105 of
4 the total operation. So in statute it sets at 95 to
5 105. If it's below that, then you have to raise the
6 fees to bring it up. If it's above that, you have to
7 lower the fees to bring it down. And that's set in
8 statute.

9 But it's not set in statute that the Board
10 has to go through a rule-making or rule-writing to do
11 that. Most agencies have to go through rule-writing to
12 adjust the fees. It says that it just has to be between
13 that function. So the process in that being so -- and,
14 again, one of the concerns we'd have about raising fees
15 above -- even if it were to come, say, okay, we need to
16 raise fees to bring in more money, we still can't go
17 above the 105 on a regular basis. I mean, there's going
18 to be times where the year before you may have gone over
19 that. But then again, that's the report that we give
20 you. Say, we were at 112 last year. You have to adjust
21 the fees down. But I don't think there's really a
22 mandate that says you have to bring them down. It just
23 says that you need to try to maintain between 95 and
24 105.

25 CHAIRMAN WAIT: I remember seven or eight years

1 ago we could have cut them to zero.

2 MR. BARGER: Good old days.

3 CHAIRMAN WAIT: Yeah. The golden days. And then
4 right now, to compound it is there's a moratorium. You
5 can't do anything.

6 MR. BARGER: Right. There's a moratorium across
7 the board on everything, on raising fees, anything that
8 would impact private industry or private businesses or
9 companies to operate or function in the State of
10 Arizona. So there's a moratorium on any rule-writing
11 right now. We couldn't even go to rule to look at
12 possibly changing anything even if it were to adopt a
13 new HUD code or anything else. There's just a
14 moratorium on everything.

15 So that's how -- did I answer your
16 question?

17 MR. BAIRD: Yes. Thank you very much.

18 CHAIRMAN WAIT: Okay. Any further discussion on
19 the 95/105?

20 All right. Next item on the agenda is
21 should AAMHO get funds or the people who live in the
22 park get funds? No. Excuse me. Anyway, there is a
23 request for educational use from AAMHO, a \$5,000
24 request. Do you want to address that?

25 MS. BLAKE: Mr. Chairman, may I --

1 CHAIRMAN WAIT: Sure.

2 MS. BLAKE: -- go ahead? And Catherine, Board
3 members.

4 CHAIRMAN WAIT: Yes, please.

5 MS. BLAKE: This AAMHO request came to you at the
6 last Board meeting.

7 CHAIRMAN WAIT: Right.

8 MS. BLAKE: And it's summarized in the
9 abbreviated minutes as well as in the transcript. I put
10 it back on the agenda this time, not to beat a dead
11 horse, but just because on the monthly financial summary
12 report, we now have factual information for you about
13 the 75 percent that was available for educational
14 purposes.

15 I'll just remind you that at the last Board
16 meeting you voted that if the actual interest earned in
17 the year '07-'08 was \$24,000, that you would approve it.
18 As it breaks down and you refer to your financial
19 report, the amount available in '07-'08 was actually
20 just under \$5,000. Subsequent year, that was brought up
21 to almost 12,000.

22 So the moneys weren't there based on the
23 way you voted last time. But I just wanted to give you
24 that information again along with what Beth reported as
25 the status of the recovery and let you address it one

1 more time.

2 CHAIRMAN WAIT: Okay. Thank you.

3 MS. BLAKE: You're welcome.

4 CHAIRMAN WAIT: Neal, sounds like you want to
5 talk.

6 MR. HANEY: No. I'll wait. I'll wait.

7 MS. MCGILVERY: Sorry. I don't have anything to
8 say. I really don't.

9 MR. HANEY: Okay. Well, Roger's not here. My
10 recollection -- and Debra's right -- is that in looking
11 at the numbers that we had at the last time we met and
12 reviewed this discussion, in order for us to have
13 available in the recovery fund the education set aside
14 for that, we would have to have earned \$24,000 in
15 interest because of the expenditures we've already made
16 from the education fund. And in looking at this, we
17 fall a little bit short of that.

18 And I don't have the numbers from our last
19 meeting, but my recollection is that in order for us to
20 make any more expenditures, we would have had to have
21 had at least \$24,000 in interest income just to meet the
22 basics of being able to fund it. And we didn't quite
23 get there.

24 CHAIRMAN WAIT: Comments, Catherine?

25 MS. MCGILVERY: Well, there's no money. We

1 still -- can we just carry on like -- would our request
2 go in line along with the other requests from the fund?

3 CHAIRMAN WAIT: No.

4 MS. MCGILVERY: We have to request again?

5 CHAIRMAN WAIT: Well, I guess you have a request
6 on the table. It's up to this Board to decide that --

7 MR. HANEY: I don't think we have -- you know,
8 and I don't have the numbers that we had last year. But
9 at our last meeting we looked at money that had already
10 been expended based on the interest. And moneys had
11 already been expended, leaving nothing in order for us
12 to have any moneys. For anybody to have any education
13 grants, we would have had to have earned \$24,000 in
14 interest in fiscal '08-'09.

15 MS. BLAKE: I have those numbers for you if you'd
16 like me to share them from the last Board meeting.

17 MR. HANEY: Okay.

18 MS. BLAKE: What was reported to you at the May
19 20 Board meeting was that in the fiscal year '07-'08,
20 there was a balance in the fund for education of \$2,679.
21 That's been updated on the current one, but that is
22 actually \$4,500. So it's considerably more, but not
23 quite there.

24 MR. HANEY: So the bottom line is that the
25 moneys -- the set-aside for educational grants has

1 already been expended. Is that not correct?

2 MS. BLAKE: Well, I'm not sure that it's already
3 been expended. But what I remember from the last Board
4 meeting, that through your Board discussion, you decided
5 that as long as there were outstanding claims against
6 the recovery fund, that those people needed to be paid
7 first. Once all the claims were paid and it built up,
8 then that could be a future decision of do you go ahead
9 and give grants for education, or do you let that fund
10 build up, anticipating future recovery fund claims. And
11 I believe you decided pay consumers first.

12 MR. HANEY: I don't think that was a formal
13 motion or anything. But that was the consensus --

14 MS. BLAKE: I don't think so either. It was your
15 discussion.

16 MR. HANEY: The consensus of the discussion.

17 MS. BLAKE: Yes.

18 CHAIRMAN WAIT: But to clarify what you just
19 said, is there 45 -- if this Board chose to pay
20 consumers first, could they vote to have \$4,500
21 distributed? I'm just asking that question.

22 MS. BLAKE: You mean as far as stand in line in
23 the recovery fund for that?

24 CHAIRMAN WAIT: No.

25 MS. BLAKE: I don't think the statute supports

1 that. But if you're saying could we pay the 4,500,
2 that's up to you to decide.

3 CHAIRMAN WAIT: Yes.

4 MS. BLAKE: Currently, the money is there to do
5 that.

6 CHAIRMAN WAIT: Right. And there is nothing
7 statutorily that says we have to pay the consumer first.

8 MS. BLAKE: No, there's not. That's your
9 decision.

10 CHAIRMAN WAIT: That would be our decision. I'm
11 just trying to get all -- I'm not trying to support
12 either position. I just want us to all to understand
13 that whatever decision we make, we understand why we're
14 making it. Anyway --

15 MS. MCGILVERY: I'm still thinking.

16 CHAIRMAN WAIT: Anyway, I guess we still have
17 this request sitting here. It didn't meet the
18 requirements. We had that discussion at the last Board
19 meeting. Is there anybody that wants to make a motion
20 or move forward with this or let it die for lack of a
21 motion?

22 MS. MCGILVERY: If the motion were made, it would
23 be to grant \$4,500?

24 CHAIRMAN WAIT: I believe.

25 MR. BARGER: Up to what the request was.

1 Anything up to the \$5,000 request.

2 CHAIRMAN WAIT: Okay. So you could go to \$5,000
3 if you chose to and not the 4,500?

4 MR. BARGER: Uh-huh.

5 CHAIRMAN WAIT: Okay.

6 MS. MCGILVERY: How can we do that if we only
7 have 4,500 there?

8 MS. BLAKE: Well, maybe I can help or try to
9 help.

10 MS. MCGILVERY: Explain to me.

11 MS. BLAKE: Currently, the amount of money
12 available for you to grant an educational fund is
13 \$25,620.

14 MR. HANEY: That doesn't jibe at all with the
15 numbers with looked at last time.

16 MS. BLAKE: This is the sheet you've been given
17 today where it's been clarified, verified.

18 MR. HANEY: I know. I'm just saying it's real
19 hard for me to sit here and hear the last month we were
20 saying the money we've already expended based on prior
21 fiscal year's interest and things like that, we did not
22 have it, and now to say, you know, that that amount
23 that's set aside statutorily is, if the funds were
24 available, is now \$25,600.

25 Because it was at zero two years ago.

1 Every dime in there that had been allocated as
2 educational grant money had been expended between the
3 various associations that used it. It had been at zero.
4 And so the only thing we had to work with was interest
5 from a couple of fiscal years.

6 MS. BLAKE: I can't speak to how it was
7 calculated.

8 MR. HANEY: I know what this is saying. I'm just
9 saying it's not jibing at all with the numbers we've
10 look at over the last two or three years.

11 MS. BLAKE: I think there was some confusion
12 about how it was calculated. And so through several
13 Board meetings and the question being asked, we went
14 back and reconciled it. Independently as well,
15 reconciled it. Because we know the amount of interest.

16 We know what the fund's balance was at the
17 end of fiscal '07. And we know that 75 percent of that
18 interest that we brought in, we had Central Services
19 Bureau accounting go through this with us. We know that
20 the interest earned was the amount that we've calculated
21 here, 15,000 for fiscal '07-'08.

22 The Board granted \$13,000 in educational
23 grants off of that money, which left a remaining balance
24 of the prior year interest of \$6,079. How much of that
25 is still available carrying forward --

1 MR. HANEY: All right. Okay. Just looking at
2 that, prior year interest, 15,679. 75 percent of that
3 is available for education grants; is that correct?

4 MS. BLAKE: Yes.

5 MR. HANEY: So 75 percent of, say, 16,000 is
6 12,000. We expended 13,000.

7 MS. BLAKE: Well, had you a rollover from the
8 prior fiscal year, don't forget. You roll it over just
9 like this rolling total that I'm showing you.

10 MR. HANEY: I understand. I understand that.

11 MS. BLAKE: Okay.

12 MR. HANEY: But I also know that probably three
13 years ago, it had been taken down to zero.

14 MS. BLAKE: I can't speak to that. I wasn't here
15 then, and I didn't see those numbers.

16 MR. HANEY: But even so, if you had a rollover of
17 \$2,000 and you had 12,000 in interest and you expended
18 13,000, it doesn't leave you 4,500.

19 CHAIRMAN WAIT: Could we in the future take this
20 another step forward, how many dollars are remaining
21 that could go out?

22 MR. HANEY: It's not jibing with anything we've
23 looked at. And even just looking at those numbers, it's
24 just not jibing.

25 MS. BLAKE: What I can offer to do is to take it

1 back a few more years and see how far we can go back.
2 Because I don't know about it ever being brought down to
3 zero. I'm not disputing it. But I don't know that.
4 And so there tends to be, according to the data that I
5 was given, an unused portion every year that was not
6 granted for education that rolls over into the next
7 year.

8 MR. HANEY: Because my recollection is that AAMHO
9 -- was it four years ago, three years ago? -- came in
10 with a request, and all we could do was give what was
11 available at that time, and it wasn't the amount of the
12 full request.

13 CHAIRMAN WAIT: Three years ago.

14 MR. HANEY: That was three years ago.

15 CHAIRMAN WAIT: Three years ago.

16 MS. MCGILVERY: That was when Neal -- Eric was in
17 charge. We got it in two parts. We got 2,000 one time,
18 and then we got 2,000 another time.

19 CHAIRMAN WAIT: Five years ago.

20 MR. HANEY: Really?

21 CHAIRMAN WAIT: Yeah. Time flies when you're
22 having fun.

23 MR. HANEY: I guess. You know, and that's my
24 recollection, is that at one time we did that because
25 there wasn't anything yet available. And now we're

1 saying that, in spite of \$18,000 in expenditures, we
2 still have 25,000 available. The numbers to me just
3 ballpark aren't making sense.

4 MR. BARGER: Mr. Chairman, Neal, let us go back
5 and do some more research on it.

6 CHAIRMAN WAIT: Sure.

7 MR. BARGER: I think for the sake of what we're
8 talking about today for the AAMHO request, keep in mind
9 that we try to separate this out of a lump sum number
10 with the CSB and those kinds of things as far as what is
11 actually available. But please keep in mind that it's
12 not actually a separate fund. It's all part of the big
13 ballpark. So whatever you take out of that, if you were
14 to grant the thing, what that does is take \$5,000 out of
15 the total that's left in the recovery fund.

16 CHAIRMAN WAIT: Well, I think there's two pieces
17 of this, in my opinion. I think we ought to have a
18 clear understanding what is available perhaps. And
19 you've done a great job, to be honest with you. But
20 maybe we can go back and get that clarified. Maybe we
21 need something that says here's the funds then
22 available, here's what's gone out, here's what you have
23 the authority or you could allocate out for education
24 regardless who that request is. But I think -- so
25 that's one request I have.

1 Then Number 2 is that I believe both of you
2 have indicated that if this Board made the decision
3 today on this \$5,000 request, that it could; is that
4 correct?

5 MS. BLAKE: Yes.

6 CHAIRMAN WAIT: Okay. So we have two pieces. So
7 now the question is, because this has been on our plate
8 now for six, eight months, nine months, I think we ought
9 to determine what we're going to do with the AAMHO
10 request. Or it dies for lack of a motion and says
11 good-bye.

12 MS. MCGILVERY: Can I make a motion?

13 CHAIRMAN WAIT: Oh, any -- you're a Board member.

14 MS. MCGILVERY: Oh, okay. Well, I would like to
15 make a motion then, as long as the funds are there, that
16 we give AAMHO their \$5,000 grant.

17 CHAIRMAN WAIT: She's already said they're there.

18 MS. MCGILVERY: Yes. I would so move.

19 MR. DeSANCTIS: I second.

20 CHAIRMAN WAIT: Okay. We have a first and a
21 second. Is there any discussion?

22 MR. BAIRD: I just want to be clear.

23 CHAIRMAN WAIT: Yes.

24 MR. BAIRD: So if we pay this \$5,000 out --

25 CHAIRMAN WAIT: Comes out of that 88.

1 MR. BAIRD: Comes out of the 88. And we're
2 saying that by the end of October, we're going to owe
3 150. And we're bringing in about 10 grand a month.

4 CHAIRMAN WAIT: Correct.

5 MR. BAIRD: It's going to give us another 20
6 grand. We're going to have 169 -- or we're going to
7 have right at 110. We're still going are to be 30,000
8 upside done for customers. Now we want to make it
9 \$35,000 in the hole.

10 CHAIRMAN WAIT: In essence, that is the motion.

11 MR. BAIRD: I just want to be clear.

12 CHAIRMAN WAIT: Yes.

13 MR. BARGER: Mr. Chairman, I just would like to
14 make a clarification that Catherine, being a
15 representative of AAMHO, really can't make the
16 recommendation for the educational grant.

17 CHAIRMAN WAIT: Okay. Conflict of interest.
18 That's right. So you withdraw that, or you didn't make
19 it. There was no second. Okay. So let's come back
20 out.

21 MS. ALARCON: You can either choose to recuse
22 yourself from the vote if you would like or abstain from
23 it if you have decided that there is a conflict of
24 interest.

25 MS. MCGILVERY: Okay. But the motion itself can

1 still stand?

2 MS. ALARCON: Well, somebody else would need to
3 make the motion.

4 CHAIRMAN WAIT: No. Someone else needs to make
5 it.

6 MR. DeSANCTIS: I will make the motion --

7 MS. ALARCON: Okay.

8 MR. DeSANCTIS: -- that if the funds are
9 available, then we're going to go broke no matter what.

10 CHAIRMAN WAIT: Is that part of your motion?

11 MR. DeSANCTIS: Pretty much. That it shouldn't
12 stop everything from the education or whatever.

13 CHAIRMAN WAIT: Okay. Is there a second? Well,
14 being no second, the motion dies.

15 All right. The next item on the agenda is
16 call to the public. Ken.

17 MR. ANDERSON: Mr. Chairman and members of the
18 Board, I just have a request for two future agenda items
19 to be possibly added. They're both relative to the
20 recovery fund.

21 One item, I would like to see if perhaps I
22 could be designated as an interested party when cases go
23 to hearing so I get notice, and I can do research and
24 listen in on the hearing officer's decision. Because,
25 normally, a retailer is not there to represent any --

1 that side of the industry.

2 The second item would be to address the
3 Board with an escrow account possibility. I've worked
4 for the last two months with the industry members, of
5 which we have 192, and have received consensus on the
6 industry wishing to go forward with an escrow process.

7 Now, we have yet to contact AAMHO and MHCA,
8 but we would be -- before the next meeting if it gets on
9 the agenda, we would be contacting them to see if we can
10 get buy-in from them as well.

11 Our lobbyist, Scott Butler, has indicated
12 that in the statutes there is language that can be
13 changed, obviously with the help of the AG. We would
14 hope to change existing statutes to allow for more
15 enforcement and prosecution in the event of fraud.

16 We would ultimately look at -- it's going
17 to take quite a bit of time before something like this
18 would happen. But we would think with cooperation and
19 your -- the Board's endorsement, we would be able to get
20 it done within one legislative session.

21 CHAIRMAN WAIT: Okay. I don't have a problem
22 with that. I support what you're saying. And I'd like
23 to see that put on future agenda items. And obviously
24 it's going to have to be looked at from a legal
25 standpoint. But, no, I would like to see that

1 personally in future agenda items.

2 MR. BARGER: We can add that to future agenda
3 items, yes.

4 MR. ANDERSON: Thank you.

5 MS. ALARCON: No, we can't respond to public
6 comments.

7 MR. BARGER: Oh. I was responding to the
8 chairman.

9 MS. ALARCON: Oh, okay.

10 CHAIRMAN WAIT: Yeah. He was responding to me.

11 MR. BARGER: Okay.

12 CHAIRMAN WAIT: So I know that's been brought up
13 by Ken. I personally would like to see that as a
14 future -- those items as a future agenda item.

15 Yes, Sam.

16 MR. BAIRD: Can a member ask for an agenda item
17 at this time?

18 CHAIRMAN WAIT: I believe so.

19 MS. ALARCON: Yeah. I mean, you could always
20 add -- you guys can always ask staff at any time.

21 MR. BAIRD: Got you.

22 MS. ALARCON: As long as it's, you know, 24 --

23 MR. BAIRD: To go along with this, there's
24 another issue to look at the bonding requirements for
25 our licensees. I think that needs to --

1 CHAIRMAN WAIT: Yes. I understand. We had a
2 meeting in June on that very topic. All the topics that
3 were just discussed, including what you've just stated,
4 is the bond requirements. Because I've been a champion
5 of that for a long time.

6 MS. BLAKE: And Mr. Chairman, members of the
7 Board, bonding is typically a standing item on your
8 agenda. It was not on this agenda because of the
9 moratorium on raising fees, raising bonds. We put out a
10 request asking if we could just go ahead and remove it.
11 There's nothing to discuss at this point. And so we
12 opted to do that. But to your question, it typically is
13 an agenda item.

14 MR. BAIRD: Thank you.

15 CHAIRMAN WAIT: So we'll have those items -- I
16 guess there were four of them -- which includes bonding
17 and the other that Ken had mentioned for our next
18 meeting.

19 Okay. Ken is the only public. Okay.
20 Future meeting date. Unless Bob calls us in early or
21 something, which I hope he doesn't. Because that would
22 not necessarily be good news. So our next scheduled
23 date is -- is it December? November?

24 MS. BLAKE: Typically January.

25 CHAIRMAN WAIT: January?

1 MS. BLAKE: I mean, it would normal fall in
2 December.

3 MR. BAIRD: Every four months.

4 CHAIRMAN WAIT: It's a little bit erratic.

5 MR. HANEY: Always in May. Usually in September.

6 CHAIRMAN WAIT: Only one you can count on.

7 MS. BLAKE: First week in May.

8 CHAIRMAN WAIT: We learned that recently.

9 MS. BLAKE: Yes. We learned that last meeting,
10 yes.

11 CHAIRMAN WAIT: So it is September 16. Look at
12 December or January?

13 MS. BLAKE: Uh-huh.

14 MR. HANEY: I would suggest January.

15 CHAIRMAN WAIT: January. So what date?

16 MR. BARGER: It would be the 20th.

17 CHAIRMAN WAIT: 20th?

18 MR. BARGER: It would be the third Wednesday.

19 CHAIRMAN WAIT: 2010. Okay. Anything further in
20 discussion on the date?

21 I'd entertain a motion to adjourn.

22 MR. HANEY: So moved.

23 MR. BAIRD: Second.

24 CHAIRMAN WAIT: All those in favor.

25 (All stated "Aye.")

1 CHAIRMAN WAIT: All right. Thank you everyone
2 for being here. Thank you very much.

3 (The proceedings concluded at 2:00 p.m.)
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1 STATE OF ARIZONA)
) SS.
2 COUNTY OF MARICOPA)

3 CERTIFICATE

4 BE IT KNOWN that the foregoing proceedings were taken
5 before me, DOREEN C. BORGMANN, RMR, CRR, Certified
6 Reporter, Certificate No. 50644, State of Arizona; that
7 the proceedings were taken down by me in shorthand and
8 thereafter reduced to computer print under my direction;
9 that the foregoing 51 pages constitute a true and
10 correct transcript of all proceedings had upon the
11 taking of said proceedings, all done to the best of my
12 skill and ability.

13 I FURTHER CERTIFY that I am in no way related to any
14 of the parties hereto, nor am I in any way interested in
15 the outcome hereof.

16 DATED at Phoenix, Arizona, this 19th day of
17 September, 2009.

18
19
20 
21 DOREEN C. BORGMANN, RMR, CRR
22 Certified Reporter
23 Certificate No. 50644
24
25